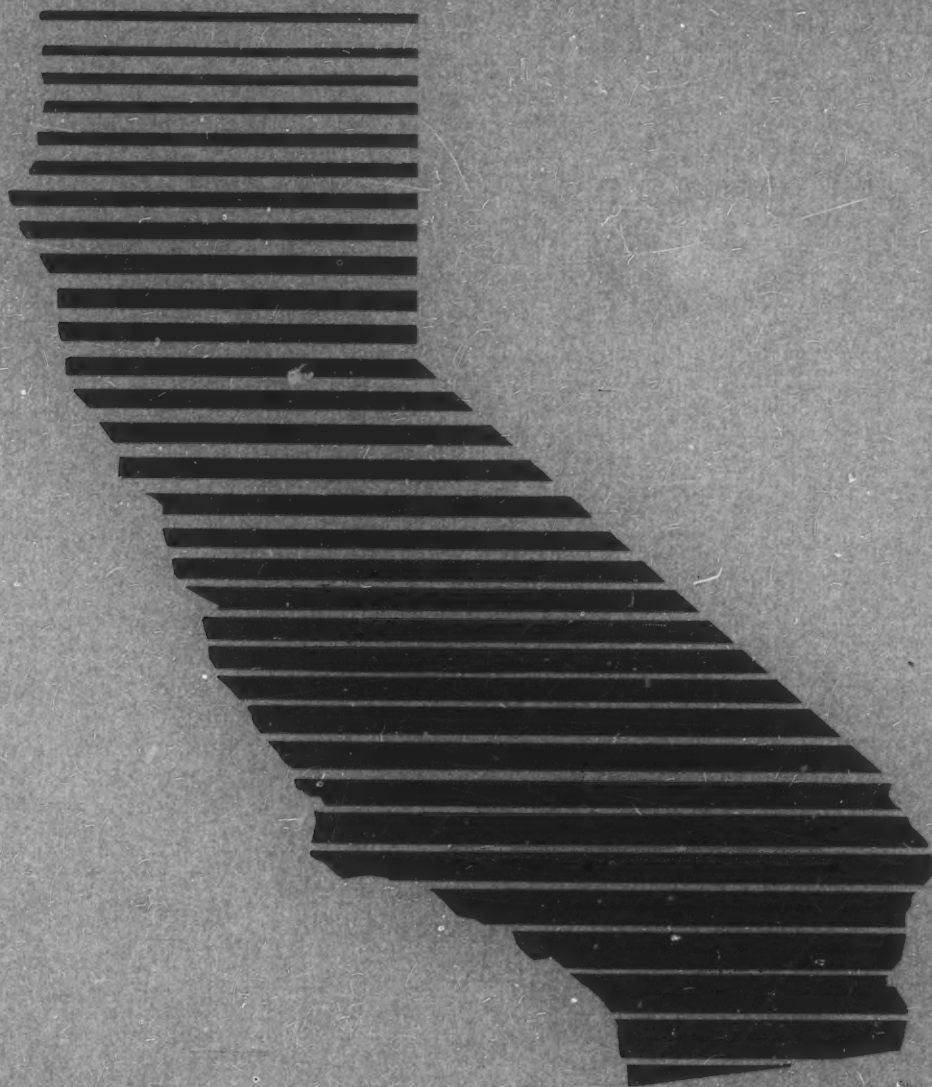


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CALIFORNIA ECONOMIC INDICATORS

September 1987



DEPARTMENT OF FINANCE

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INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Bureau of Economic Analysis publication Business Conditions Digest, the report contains regular features.

Developments in California over the most recent months are reviewed in a brief text, and then summarized in current data tables which show changes over the previous year. Charts containing monthly and quarterly series from 1978 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are also shown. Finally, sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

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REVIEW OF ECONOMIC DEVELOPMENTS

The rather rapid pace of economic activity evident during the first half of 1977 has given way to a somewhat mixed picture in recent months. The California economy continues to expand, but the pace has clearly slowed as the expansion enters its sixth year.

Employment data reflect this mixed economic situation. The goods producing industries are relatively sluggish, while service activities move ahead at a strong pace. In particular, there has been a noticeable slowing in the growth of construction jobs, as activity is being held in check by rising interest rates and the effects of high vacancy rates among commercial office buildings in many areas of the State.

Construction employment, while still up a solid 8 percent over 1986 levels, has been showing month-to-month gains which imply annualized growth of less than 4 percent in recent months. The October 1 earthquake in the Los Angeles area represents an economic loss of as yet unguaged magnitude. However, the rebuilding process will result in some additional construction activity over the next year or two.

Manufacturing employment remains sluggish overall, although recent figures are showing some signs of improvement. In the food processing industry, for example, September figures are up 3.6 percent over the year, reflecting bumper harvests of several important fruit and vegetable crops. The number of jobs in the paper and publishing industries are up more than 2 percent over the comparable 1986 figure.

Within the durable goods industries, strong gains remain evident in aircraft and parts, up more than 5 percent over 1986, and

motor vehicles, up nearly 9 percent. However, other important durables industries such as nonelectrical equipment, instruments and missiles and space vehicles are flat to down slightly over the past year, although recent months have seen small gains in these sectors.

In contrast, most service related industries remain quite strong. There continues to be particularly healthy growth in wholesale and retail trade as well as virtually all categories of business and personal services. Gains in hotel employment have been especially strong, suggesting a good tourist season aided in some measure by the weaker dollar.

Government and finance are somewhat less strong, with the number of jobs up about 2.5 percent over the past year. Streamlining at several major depository institutions has held back growth in finance.

Transportation and utilities are the weakest of the service producing sectors, with strong growth in trucking offset by declines in communications and railroads, and a flat trend in the energy utilities.

Overall, industry employment figures, based on a sampling of payrolls, continue to evidence steady albeit moderating gains. In contrast, the household survey data, on which total employment, labor force and unemployment statistics are based, are typically more volatile on a month to month comparison. The September figures, for example, indicated a small decline in total employment, and an increase in the jobless rate from 5.4 percent to 5.8 percent. Even so, the unemployment rate is considerably lower than might be expected given the moderate rate of growth in economic activity. Moreover, despite the September increase, California's jobless rate remains below the national figure of 5.9 percent.

The rate of inflation has picked up moderately in recent months, although price trends remain subdued by comparison to the '70s and early '80s experience. The San Francisco Bay Area consumer price index was up 3.3 percent between August 1986 and 1987, while prices in the Los Angeles area registered a 4.8 percent annual increase. Nationally, the August CPI was up 4.3 percent on the year.

Differences between inflation in the two California regions center on the heavily weighted housing components. In Los Angeles, homeowners' costs are up 6.5 percent and rents 5.8 percent over the year-ago level. In the Bay Area, home ownership costs were only 3.3 percent and renters' costs 5.1 percent above August 1986. There was also wide divergence in apparel prices, which were up over 7 percent in Los Angeles, but down more than 2 percent in the San Francisco-Oakland-San Jose region. Movements in consumer prices in California and the nation are summarized in the accompanying table.

The housing sector is beginning to show the strain of rising interest rates. The volume of new building permits issued in both July and August was below the 240,000 pace, after averaging an annual rate of more than 260,000 units during the first half of the year. Rising mortgage rates coupled with a shortage of listings have been cited by the California Association of Realtors as contributing to a slowdown in resale activity during the summer months.

Despite the recent slowdown, 1987 will nonetheless be an excellent year for house building and sales, with new construction activity on course for a very respectable 250,000 unit production for the entire year. Of particular note is California's rising share of the nation's new house construction, now consistently in the 15-20 percent range, up from a low of 10-12 percent in the late '70s and early '80s.

Personal income data have recently undergone a major revision affecting figures back to 1969. The U.S. Department of Commerce, which publishes annual personal income figures for the 50 states, periodically adjusts the data for later information, as well as changes in concepts or methodology. The figures are also tied to national income data, which are revised periodically.

Quarterly estimates for California have also been revised by the Department of Finance to reflect the latest Commerce Department annual figures. Copies of the new series may be obtained on request. Annual figures for counties, prepared by the U.S. Department of Commerce and distributed by this department in California are undergoing a major revision. As a result, 1985 figures which would normally have been available in May of this year, will not be issued until May 1988, when 1986 county income data are also scheduled to be released.

The preliminary estimate of second quarter personal income for California is \$490.1 billion, reflecting a year-over-year gain of 8.1 percent. Wage and salary income remains the principle source of personal income growth, up 9.6 percent from the second quarter 1986 level.

One interesting development evident in the revised data is the slowdown in the growth of other labor income, or fringe benefits. In years past, fringe benefits could be counted on to increase faster than wage and salary income, partly reflecting improvements in non money benefits, as well as the rising relative cost of such items as medical insurance. The Commerce data now suggest that fringes are growing more slowly, possibly reflecting efforts to contain costs, modification of pension plans, and the growing trend toward cafeteria style benefits packages which

provide incentives for employees to tailor benefits to their particular needs.

The recent firming of interest rates has led to faster growth of interest income. Rental income, however, continues to be somewhat erratic. Rental income includes a large imputation for the rental value of owner occupied housing which

complicates the process of developing quarterly estimates. The annual data have also been subject to unusually large revisions, and California's share of the nation's rental income has fluctuated significantly over the past ten years. Against this background, movements in rental income should not be given undue emphasis.

CONSUMER PRICE INDEX
AUGUST 1987
(1967=100)

	United States			Los Angeles			San Francisco		
	Index	% Change from:		Index	% Change from:		Index	% Change from:	
		Aug. 86	July 87		Aug. 86	July 87		Aug. 86	July 87
CPI All Urban Consumers									
All Items	342.7	0.6	4.3	346.7	0.8	4.8	356.9	0.3	3.3
Food	333.8	0.1	3.4	328.3	0.4	3.6	337.8	-0.1	3.5
Food Away from Home	375.9	0.3	3.9	340.1	-0.1	1.8	359.8	0.3	5.1
Residential Rent	293.1	0.7	4.0	362.5	1.3	5.8	378.6	0.0	3.3
Homeowners' Cost*	125.4	0.8	4.6	133.6	0.7	6.5	140.7	0.9	3.6
Fuel & Other Utilities	391.1	0.8	0.4	374.6	0.2	-2.6	424.7	0.3	-0.4
Apparel and Upkeep	214.7	2.0	3.7	195.5	3.1	7.2	206.9	-0.1	-2.3
Transportation	320.2	0.5	6.3	338.9	0.5	6.1	314.0	0.5	3.8
Medical Care	466.1	0.4	6.5	493.8	0.5	7.0	453.9	0.9	7.7
All Other*	188.8	0.2	4.5	152.5	0.6	2.8	163.8	-0.3	4.1
CPI-Wage Earners	337.4	0.5	4.3	338.8	0.8	4.7	349.9	0.2	3.2
California CPI-U**	355.0	0.6	4.5						
California CPI-W**	343.5	0.6	4.4						

*Alternate Base Year

**Weighted average of Los Angeles and San Francisco indexes.

Source: U.S. Bureau of Labor Statistics.

THE CHANGING DEMOGRAPHIC SCENE

Slow moving yet extremely powerful, demographics is an often overlooked influence on economic trends. In the context of moderate economic growth, this year's sharp drop in unemployment--initially viewed as a statistical fluke but now confirmed by months' of accumulated evidence--is but one element of the changing demographic backdrop to the current economic scene.

Demographics covers a wide variety of social and vital statistics of the population, most of which have implications for the economy. Because changes occur slowly, demographic forces seem to attract little attention in the analysis of current economic conditions, where such elements as interest rates, inventories or the trade deficit seem to be of far more immediate concern.

Yet with the business expansion now entering its sixth year, there is a growing

recognition that the current picture differs in several important respects from the cycles of the past two decades. As noted, the jobless rate seems more responsive to economic growth than in the past. Inflation has been better behaved. Consumption patterns seem to have changed in several important ways. Demographics--and in particular the changing age distribution of the population--may be playing an important role in each of these developments.

Last year the popular press focused considerable attention on the aging of the baby boom generation. After all, 1986 was the year that the first baby boomers--usually defined as those born from 1946 through the early '60s--turned forty. Less attention was given another milestone this year, when the crest of the baby boom wave--the 4.3 million born in 1957--turned thirty.

CALIFORNIA POPULATION BY AGE (Thousands)

				Percent of Total Population		
	<u>1977</u>	<u>1987</u>	<u>1992</u>	<u>1977</u>	<u>1987</u>	<u>1992</u>
15 and under	5,574	6,498	7,294	24.9%	23.7%	24.6%
16-24	4,006	3,889	3,660	17.9%	14.2%	12.3%
25-34	3,698	4,852	4,704	16.5%	17.7%	15.8%
35-54	4,892	6,709	8,202	21.9%	24.5%	27.6%
55-64	2,039	2,400	2,383	9.1%	8.8%	8.0%
65 and over	<u>2,141</u>	<u>3,019</u>	<u>3,435</u>	<u>9.6%</u>	<u>11.0%</u>	<u>11.6%</u>
TOTAL	22,350	27,367	29,678	100.0%	100.0%	100.0%

Note: 1987 and 1992 are projected

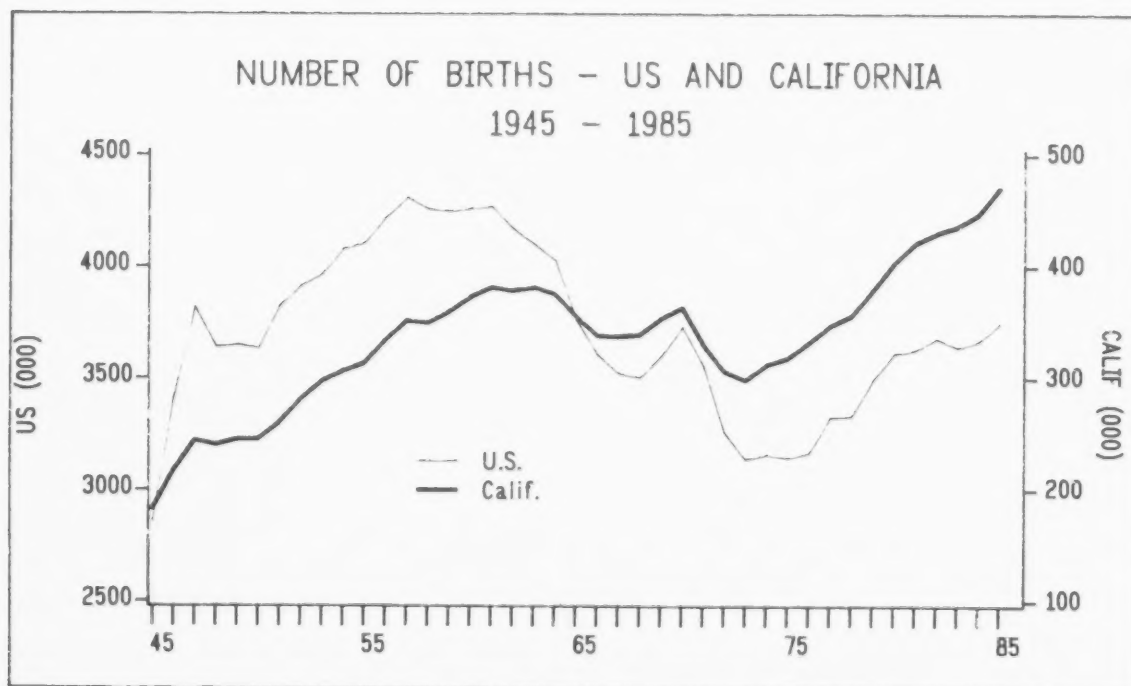
Source: California Department of Finance
Population Research Unit

In terms of numbers, this year's milestone may be the more important event. The beginning of the baby boom is clearly visible in the birth statistics. With end of World War II, the number of births in the United States jumped from 2.86 million in 1945 to 3.41 million in 1946. The trend continued upward, exceeding 4 million for the first time in 1954, and remaining above that mark through 1964.

The boom was followed by bust. In 1965, births fell to 3.76 million and continued to decline until 1975 when only 3.14 million were born. As the initial baby boomers reached child bearing age, the number of births has increased steadily since then. However, because the birth rate has

remained very low--around 15 per 1,000 population compared to 25 at the peak--the current upswing in births is considered an "echo" rather than a second baby boom.

California followed generally the same pattern as the nation from the end of the War to the mid-seventies. The number of births increased sharply in 1946, but in California the boom peak was reached in 1961, four years after the national peak. The continued increase in California births can be attributed to the steady flow of migration, which apart from increasing the population base, also tends to occur more among young adults of child bearing age.



The number of births remained near record levels through 1964, then declined steadily reaching a low of 298,000 in 1973. Continued migration and a changing ethnic composition of the population has resulted in a far more vigorous echo in California than nationally. Births reached a new record level in 1980, and have increased each year this decade, to 471,000 in 1985. Moreover, California's birth rate, which matched the national peak of approximately 25 per 1,000 during the baby boom, is now significantly higher than the national figure at 17 per 1,000 population.

On the accompanying table, the effects of this boom-bust-echo pattern of births can be clearly seen in the age distribution of the population. Thanks to the echo, the proportion of children age 15 and under has changed little over the past decade.

A far more dramatic shift can be seen in the youth population, age 16 through 24. These are the school leavers and new labor force entrants. Their share of the population has fallen from 17.9 percent 10 years ago, to 14.2 percent currently. Moreover, although California's total population has increased by more than 5 million in the past decade, the youth population has actually declined in absolute terms during that period.

The share of young adults age 25 to 34 has increased slightly over the past ten years. But there has been a far more dramatic increase of those in their middle working years--the 35 to 54 age group. Reflecting the relatively small depression era generation, the 55 to 64 group now accounts for a slightly smaller proportion of the population than in 1977.

The basic trend of the past decade is expected to continue for another five years. The Department of Finance's Population Research Unit projects total

California population of 29.7 million by 1992, an increase of 8.5 percent over this year's figure. However, there will be a further sharp decline in the youth population, both proportionally and in absolute terms.

The young adult population will also decline, both in relative and absolute terms. This year's 4.85 million 25 to 34 year olds will fall to 4.7 million in 1992. The shrinkage of these two younger groups will have significant implications for housing markets and labor force growth, among other elements in the economy.

In contrast to the decline in the younger age groups, the baby boom will be moving into the middle working age in large numbers. The 35 to 54 group will increase by 1.5 million over the next five years. Meanwhile, the 55 to 64 age group will decline slightly in both absolute and relative terms.

The population over 64 which rose to 11 percent of the population in 1987 from 9.6 percent in 1977 will continue to increase in share, owing to the longer life span. However, the growth of this population will slow through the 90s, reflecting the decline of births during the depression.

After 1992, there will be some subtle changes in these demographic trends. The echo will begin to replenish the youth population, but there will be a further sharp decline in the 25-34 age group. The 35-54 group will continue to grow until the turn of the century. The 55-64 group will stabilize, and the over 64 population will enter a period of very slow growth until the first boomers turn 65 after 2010.

The most immediate and visible economic implication of these

trends can be seen in the slowing of labor force growth in the past several years and the sharp decline in the unemployment rate. In California, the jobless rate fell from 6.6 percent at the beginning of 1987 to 5.4 percent in August, the lowest rate since 1970. Given continued moderate economic growth, a jobless rate of 5 percent or less in the next year or so is a distinct possibility.

These labor force effects reflect not only the declining youth population, but also a slowing in the rate of increase in labor force participation among women. The initial entry of the baby boom generation into the workforce in the 60s and 70s was associated with a sharp increase in the proportion of women choosing to work. Among the under 35 age groups, women's participation rates are now approaching those of men, and further increases will now reflect the aging of these high participation cohorts, as there is little scope for a further upward shift in participation among new entrants.

A second far more subtle labor force effect relates to productivity. With large numbers of young, inexperienced workers entering the labor force, it is little wonder that output per hour of work increased very little during the 70s and early 80s. In addition, given the plentiful supply of labor, the ratio of capital to labor--which can be thought of as the tools available to the workforce--increased very slowly during this period of rapid labor force growth.

The rising proportion of the population in their middle working years implies on average a more experienced, and therefore productive, workforce. Moreover, the slowing of labor force growth will probably induce a deepening of the capital stock, further adding to productivity gains.

A declining young adult population will mean fewer new households and a

reduced demand for housing. In the late 70s, California's housing stock and the production of new houses probably fell short of demand, much of it demographically based. One result was a rapid increase in house prices as buyers competed for the scarce supply. More recently, new homebuilding has been sufficient to satisfy the demand of new households, and home price increases have moderated.

Consumption patterns are also changing. As fewer households are formed, demand for consumer durables will slow, and--some observers believe--will focus more on upgrading the stock of durable goods. Saving patterns will also change, although no dramatic rise in the household savings rate can be expected for several more years.

Typically, younger households are dissavers--that is, net borrowers--as they seek to build up a stock of durable goods at a time when their earnings are often lowest. In the middle working years, dissaving stops as incomes rise. But it is only in the 10-15 years prior to retirement that most households begin saving on a large scale. Thus, while the decline in the number of younger households might imply some reduction in borrowing, this is currently being offset by the decline in the over 50 population. Nonetheless, many analysts believe that by the mid-90s the savings rate will rise considerably. If nothing else, the Social Security Trust Funds, currently running surpluses of \$25 billion annually, may be in the black by \$150 billion or more by 1995. (However, there remains a long term actuarial deficit in the Funds after 2030 when a majority of baby boomers will have retired.)

There are a number of far more subjective factors associated with an aging population. It is speculated, for example, that an older population

wishing to preserve what they have, will be less likely to tolerate inflation than were the youth of the 60s and 70s. Others argue that developing labor shortages will result in upward pressure on wages, leading to higher prices. Already, traditional minimum wage jobs in services

are commanding upwards of \$4 to \$5 an hour in many urban areas.

Much of this remains to be seen. It is clear however, that the changing demographic scene is already having a substantial effect on our economy.

EMPLOYMENT^{*}
(Seasonally Adjusted)

	1987				1986	Percent Change Sep 1986- Sep 1987
	Sep	Aug	Jul	Jun	Sep	
Civilian Employment (000)	13,026	13,036	13,064	12,989	12,623	3.2
Unemployment (000)	797	739	755	753	869	-8.3
Unemployment rate	5.8	5.4	5.5	5.5	6.4	--
Nonagricultural wage and salary employment ^{a/} (000)	11,827.7	11,795.8	11,775.5	11,727.5	11,291.2	4.8
Mining	38.1	38.3	38.5	38.6	38.4	-0.8
Construction	604.8	603.4	606.2	601.1	535.7	12.9
Manufacturing	2,078.6	2,078.6	2,073.6	2,073.5	2,028.0	2.5
Aerospace ^{b/}	n.a.	755.0	754.9	750.7	759.3	--
Transportation and Public utilities	592.6	591.5	593.6	595.4	578.4	2.5
Trade	2,865.3	2,856.6	2,851.0	2,839.5	2,717.6	5.4
Finance, insurance and real estate	798.5	796.6	795.4	792.1	770.7	3.6
Services	2,952.0	2,944.4	2,938.6	2,920.9	2,769.2	6.6
Government	1,897.7	1,886.3	1,878.6	1,866.3	1,852.8	2.4
Federal	345.6	344.7	343.5	344.0	340.2	1.6
State & local	1,522.1	1,541.6	1,535.2	1,522.3	1,512.6	0.6

^{a/} Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.

^{b/} The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.

HOURS AND EARNINGS IN MANUFACTURING

	1987				1986	Percent Change Aug 1986- Aug 1987
	Aug	Jul	Jun	May	Aug	
Average weekly hours ^{c/}	40.4	40.0	40.5	40.5	40.1	0.7
Average weekly earnings	\$435.51	\$432.80	\$436.59	\$432.68	\$417.84	4.2
Average hourly earnings	\$10.78	\$10.82	\$10.78	\$10.68	\$10.42	3.5

^{c/} Not seasonally adjusted.

TRADE
(Seasonally Adjusted)

	1987				1986	Percent Change Jul 1986- Jul 1987
	<u>Jul</u>	<u>Jun</u>	<u>May</u>	<u>Apr</u>	<u>Jul</u>	
Retail sales (millions)	15,183	14,968	14,893	15,262	14,235	6.7
New auto registrations (number)	127,696	115,982	111,148	122,638	121,638	5.0

CONSUMER PRICE INDEX
(1967 = 100)

	1987				1986	Percent Change Aug 1986- Aug 1987
	<u>Aug</u>	<u>Jul</u>	<u>Jun</u>	<u>May</u>	<u>Aug</u>	
All Urban Series						
California Average	355.0	352.9	352.1	352.8	339.8	4.5
San Francisco	356.9	356.0	353.5	353.5	345.5	3.3
Los Angeles	346.7	344.1	344.2	345.1	330.9	4.8
Wage Earner and Clerical Worker Series						
California Average	343.5	341.4	340.9	341.4	329.1	4.4
San Francisco	349.9	349.3	347.3	347.0	339.0	3.2
Los Angeles	338.8	336.2	336.3	337.1	323.5	4.7

PRODUCTION

	1987				Percent Change Aug 1986- Aug 1987
	<u>Aug</u>	<u>Jul</u>	<u>Jun</u>	<u>May</u>	
Petroleum (000 barrels daily)	n.a.	n.a.	1,093	1,088	--
Portland cement (000 short tons)	n.a.	915.9	919.5	842.4	--
Selected redwood and whitewood mill production (mil. board feet)	67.0	84.1	81.8	76.3	3.2

n.a. Not available

CONSTRUCTION

	1987				1986	Percent Change Jul 1986- Jul 1987
	<u>Jul</u>	<u>Jun</u>	<u>May</u>	<u>Apr</u>	<u>Jul</u>	
Private Residential Housing Units Authorized (000) <u>a/</u>	239.9	265.1	203.3	291.3	287.1	-16.4
Single Units	118.8	137.8	110.9	142.3	148.3	-19.9
Multiple Units	121.1	127.3	92.4	149.0	138.8	-12.8
Residential Building Authorized Valuation (millions) <u>b/</u>	\$1,677	\$1,733	\$1,394	\$1,867	\$1,752	-4.3
Nonresidential Building Authorized Valuation (millions) <u>b/</u>	\$1,210	\$951	\$1,065	\$925	\$1,137	6.4
Nonresidential Building Authorized Valuation (millions) <u>c/</u>	\$1,245	\$1,115	\$1,020	\$1,005	\$1,171	6.3
Commercial	\$522	\$464	\$394	\$375	\$485	7.6
Industrial	\$210	\$162	\$160	\$158	\$175	20.2
Other	\$223	\$242	\$219	\$168	\$201	10.7
Alterations & Additions	\$290	\$247	\$247	\$304	\$310	-6.5

a/ Seasonally adjusted annual rate.

b/ Seasonally adjusted.

c/ Not adjusted for seasonal variation.

VACANCY RATES FOR JUNE 1987 (Percent)

	Office			Industrial
	<u>Total</u>	<u>Downtown</u>	<u>Suburban</u>	
Northern & Central California				8.2
Oakland - East Bay	25.3	18.0	27.7	
Sacramento	19.8	9.1	23.3	
San Francisco	17.7	16.8	19.0	
San Jose	24.8	22.9	25.2	
Southern California				6.7
Los Angeles	16.9	14.5	17.5	
Orange County	20.0	n.a.	n.a.	
San Diego	22.4	14.3	26.6	
National Average	20.7	16.3	22.7	

**MEDIAN PRICE OF EXISTING
SINGLE-FAMILY HOMES ^{a/}**

1986	Jun	\$137,392		Nov	\$129,767	Apr	\$137,853
	Jul	\$137,117		Dec	\$130,565	May	\$140,853
	Aug	\$135,591	1987	Jan	\$126,532	Jun	\$141,541
	Sep	\$132,743		Feb	\$128,372	Jul	\$141,599
	Oct	\$127,387		Mar	\$135,278		

^{a/} California Association of Realtors

LEADING INDICATORS

		<u>Manufacturing</u>		<u>New Business</u>
		<u>Overtime</u>	<u>Average</u>	<u>Incorporations</u>
		<u>Hours</u>	<u>Weekly Hours</u>	
1986	Sep	3.3	40.3	6,084
	Oct	3.4	40.3	5,608
	Nov	3.4	40.4	4,779
	Dec	3.3	40.1	5,916
1987	Jan	4.2	40.2	5,605
	Feb	3.6	40.3	5,362
	Mar	3.4	40.6	5,967
	Apr	3.3	39.7	4,012
	May	3.7	40.5	4,688
	Jun	3.7	40.4	5,144
	Jul	3.7	40.4	5,327
	Aug	3.6	40.5	4,948

		<u>Unemployment Insurance</u>	<u>Housing Unit</u>
		<u>Initial Claims</u>	<u>Authorizations</u>
			<u>(Thousands)</u>
1986	Oct	55,164	346.2
	Nov	54,606	290.6
	Dec	59,450	519.1
1987	Jan	57,054	299.1
	Feb	57,270	232.8
	Mar	56,008	292.2
	Apr	53,258	291.3
	May	49,502	203.3
	Jun	52,993	265.1
	Jul	52,319	239.9
	Aug	50,412	n.a.

Note: All data seasonally adjusted.

COINCIDENT INDICATORS

		Nonagricultural Employment (Thousands)	Manufacturing Employment (Thousands)	Unemployment Rate (Thousands)	Insured Unemployment Average Weeks Claimed (Thousands)
1987	Jan	11,607	2,081	6.2	357
	Feb	11,642	2,078	6.2	368
	Mar	11,661	2,075	6.0	394
	Apr	11,694	2,073	5.8	359
	May	11,706	2,072	6.5	335
	Jun	11,728	2,074	5.5	347
	Jul	11,776	2,074	5.5	317
	Aug	11,796	2,079	5.4	331
	Sep	11,828	2,079	5.8	n.a.

		Personal Income (Millions)	Wages & Salaries from Mining, Construction & Manufacturing (Millions)	Taxable Sales (Millions)
1986	Qtr I	\$446,160	\$70,011	\$52,726
	Qtr II	\$453,194	\$70,937	\$53,540
	Qtr III	\$455,379	\$70,948	\$55,310
	Qtr IV	\$469,659	\$74,898	\$55,746
1987	Qtr I	\$480,430	\$72,453	\$55,642
	Qtr II	\$491,070	\$74,613	\$57,502

OTHER INDICATORS

		DOD Prime Contracts (Millions)			Electricity Production (Million Kwh)
1985	Qtr I	7,941	1986	Sep	9,115
	Qtr II	4,057		Oct	9,897
	Qtr III	8,526		Nov	9,607
	Qtr IV	7,828		Dec	9,169
1986	Qtr I	8,173	1987	Jan	9,777
	Qtr II	3,629		Feb	10,626
	Qtr III	8,109		Mar	11,393
				Apr	11,859
				May	10,764
				Jun	10,830

Note: All data seasonally adjusted.

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II. Seasonal Adjustment Program (November 1965).

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle

Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

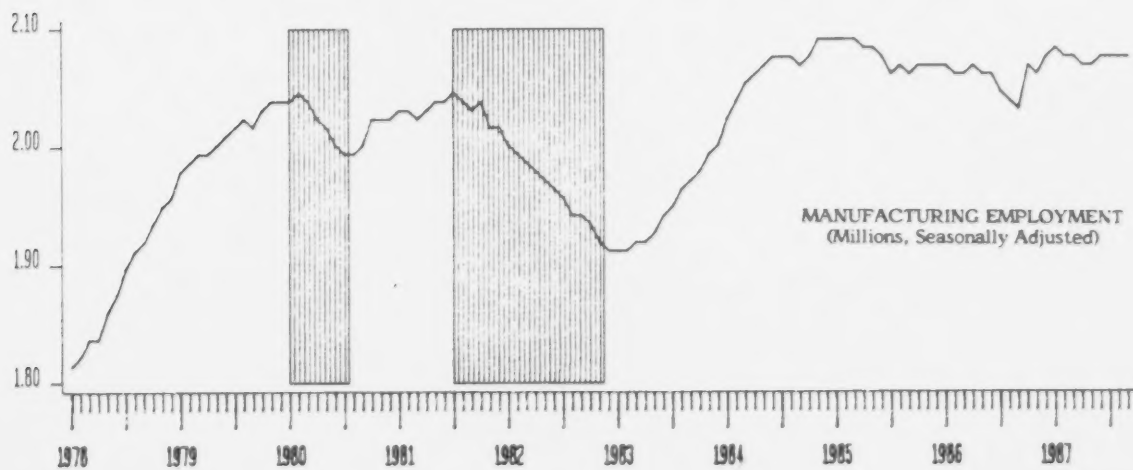
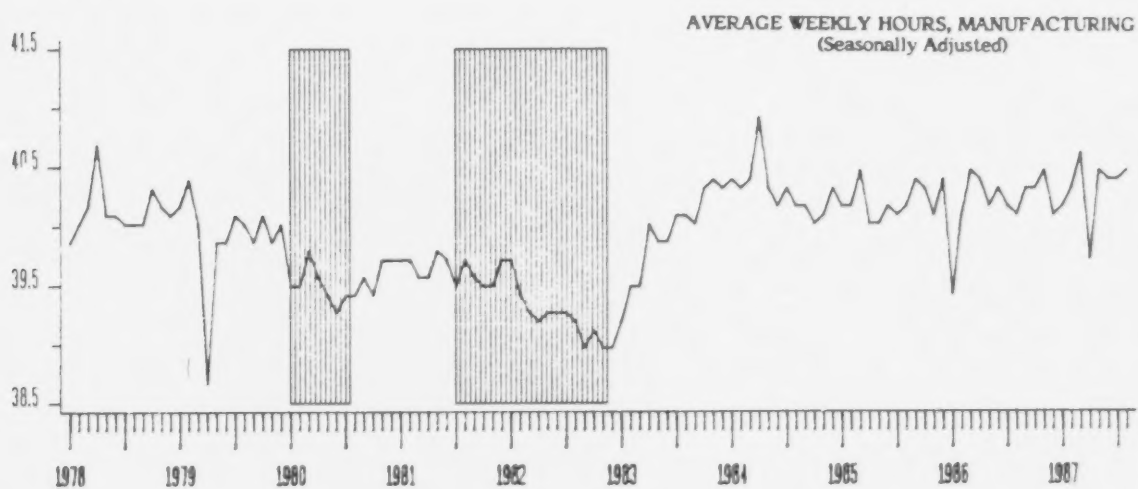
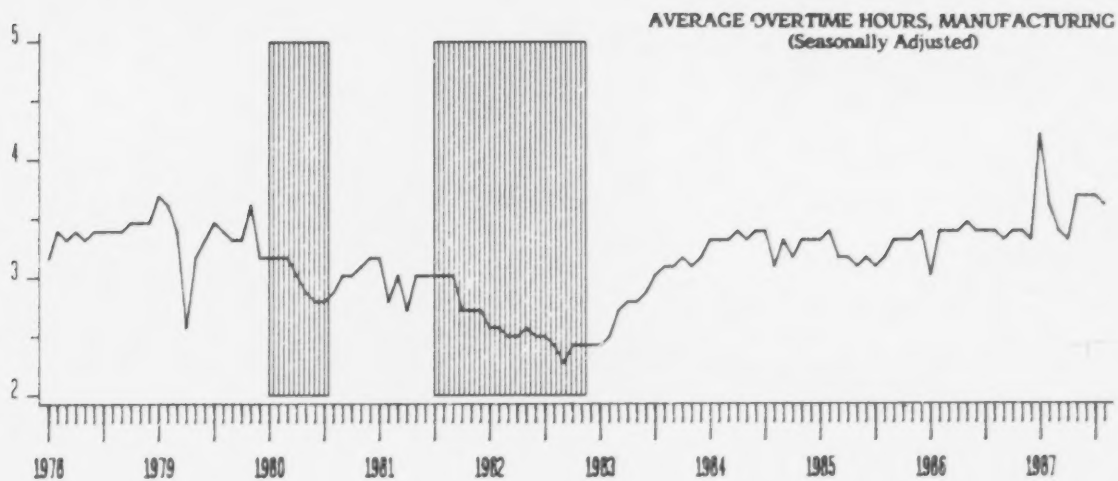
Manufacturing Employment

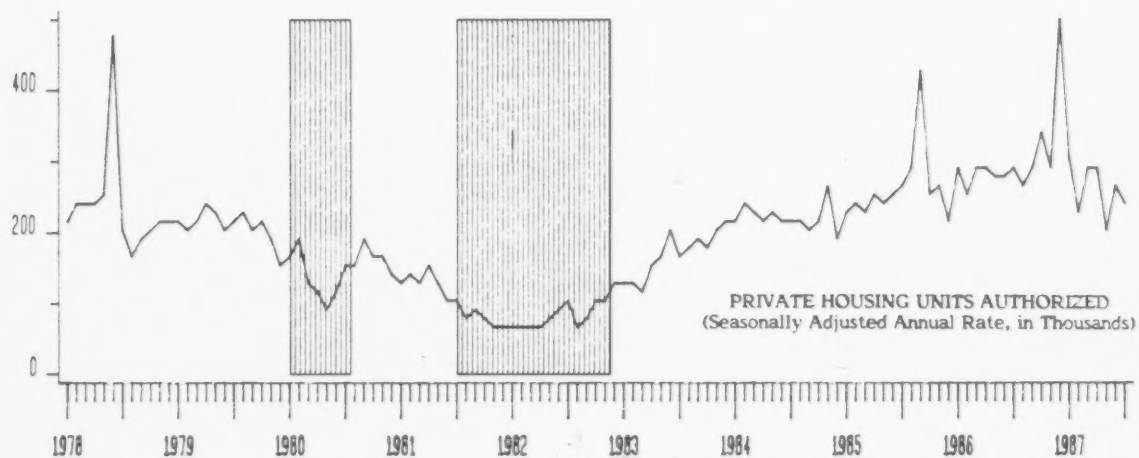
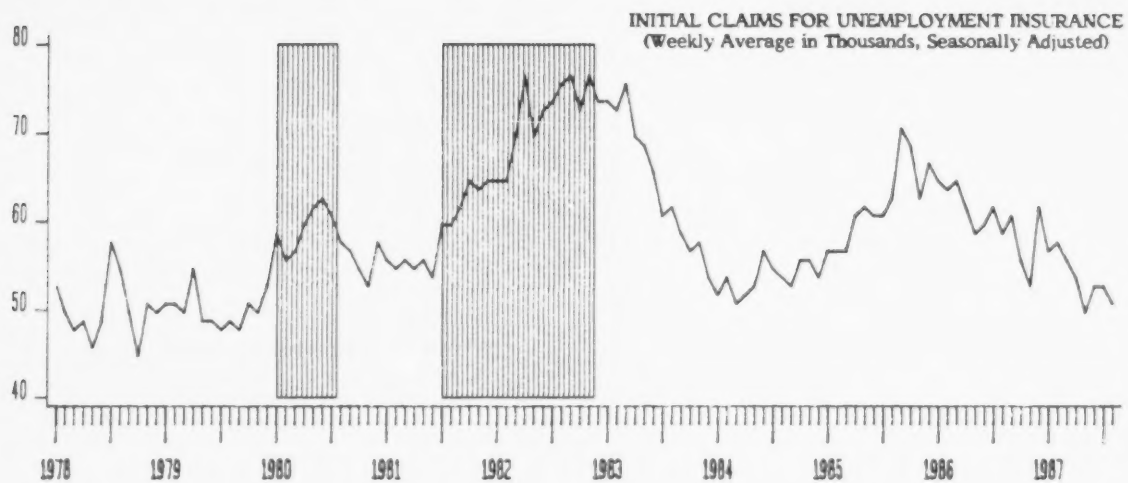
This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

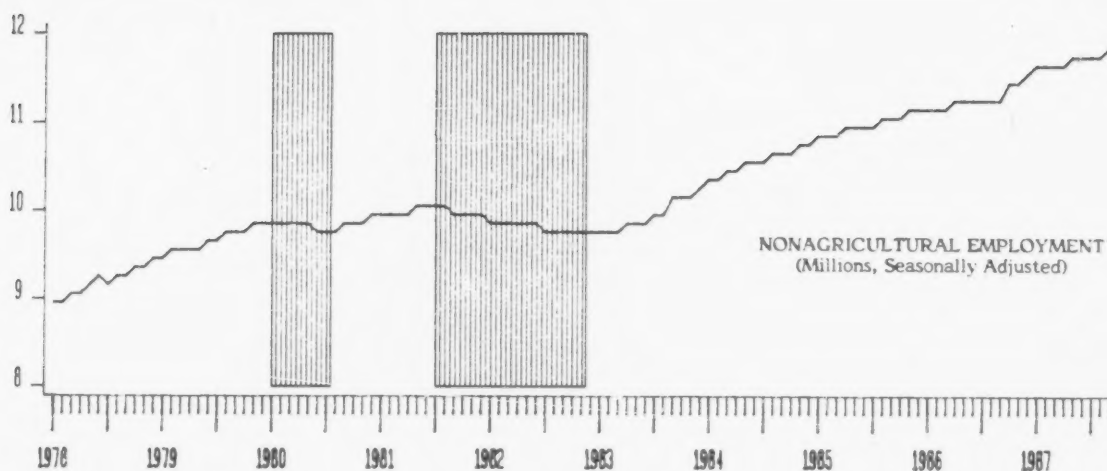
Taxable Sales

Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but are of interest to persons looking at overall economic developments.

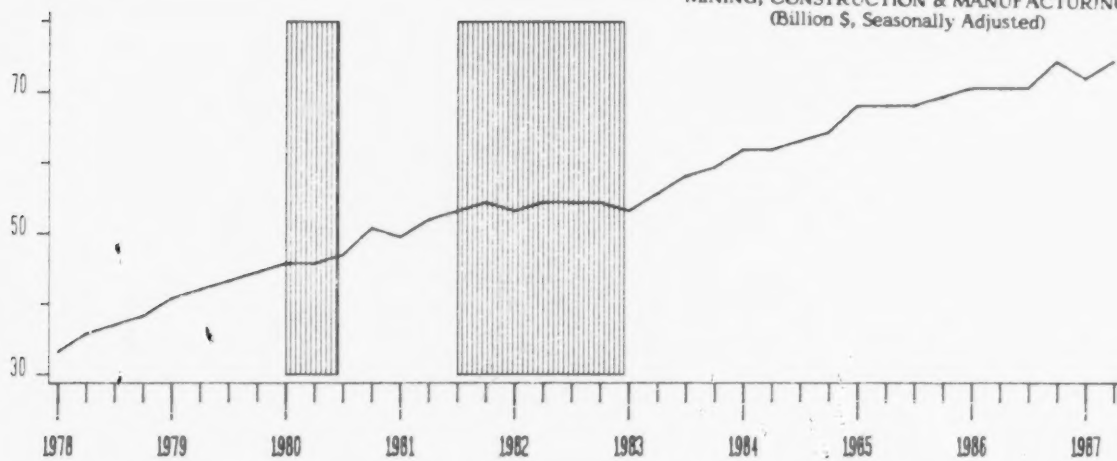




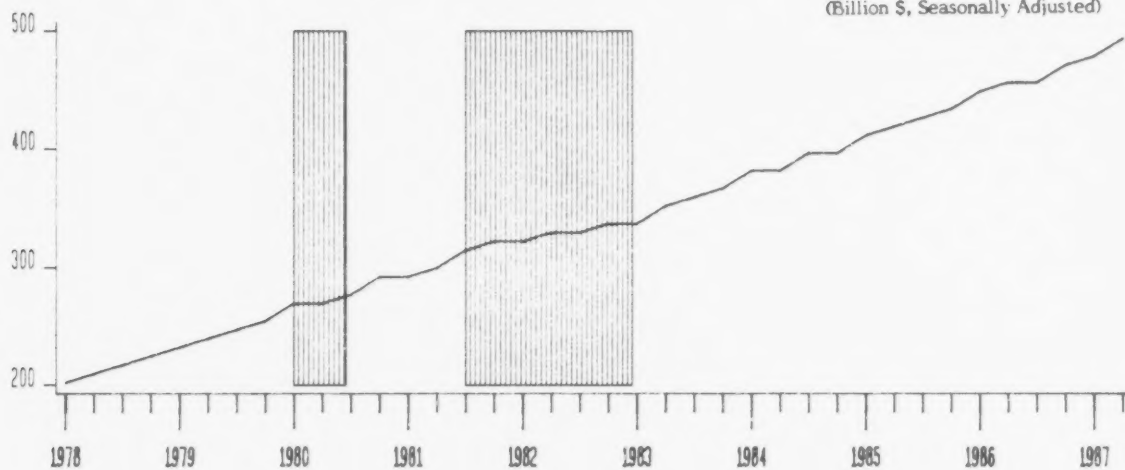


Note: The Los Angeles help wanted ads series is no longer available and it has been omitted from the tables and graphs sections. Similarly, the California index of leading indicators has been dropped from these sections due to the discontinuation of key data series. The construction of the index is being re-examined. Median sales price of existing single-family homes has been added to the tables. Also note, Security Pacific Corporation no longer provides construction valuation data. The Construction Industry Research Board is the current source for this information.

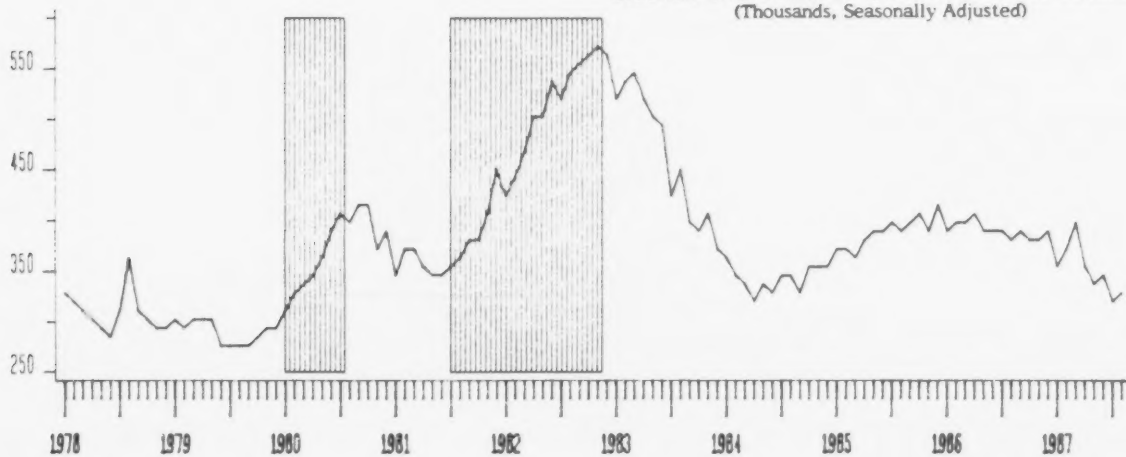
WAGES & SALARIES FROM
MINING, CONSTRUCTION & MANUFACTURING
(Billion \$, Seasonally Adjusted)

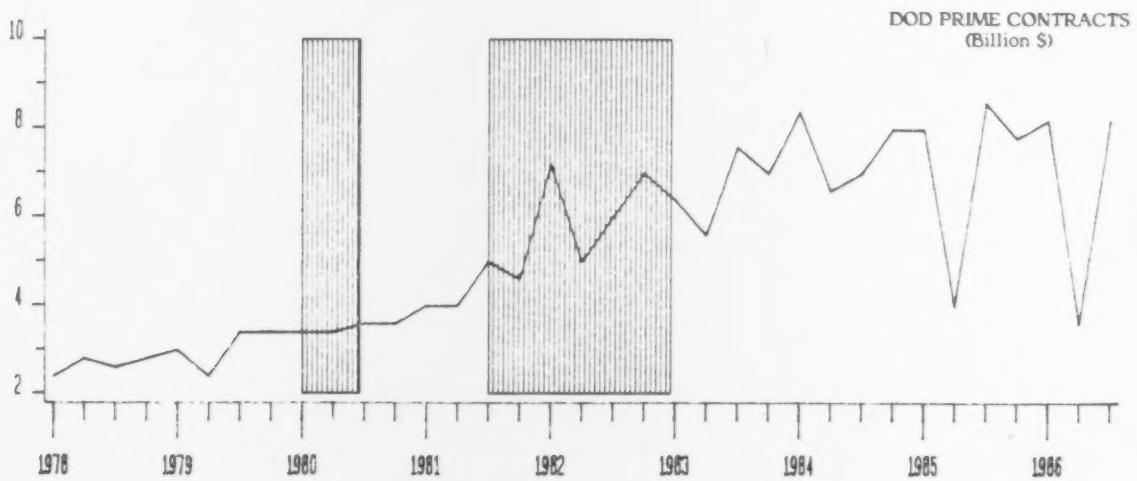
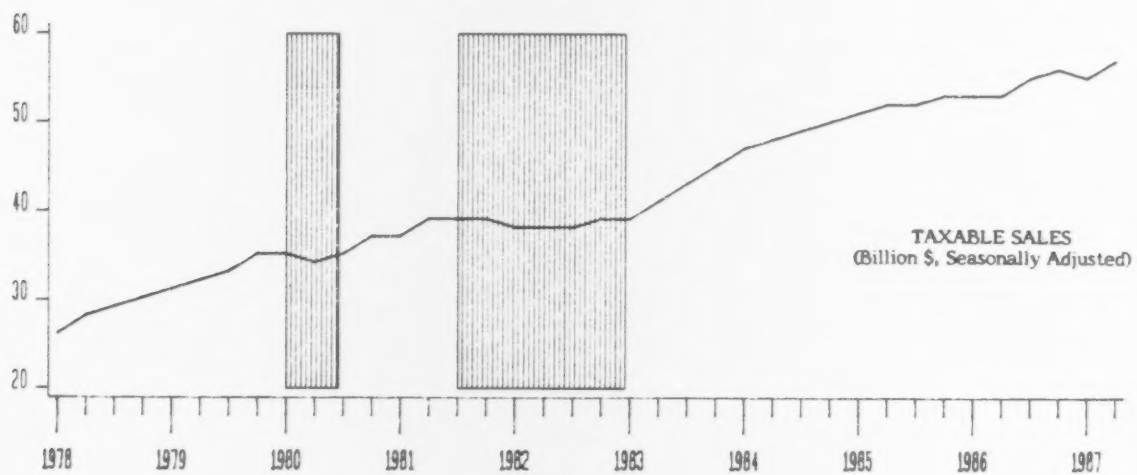
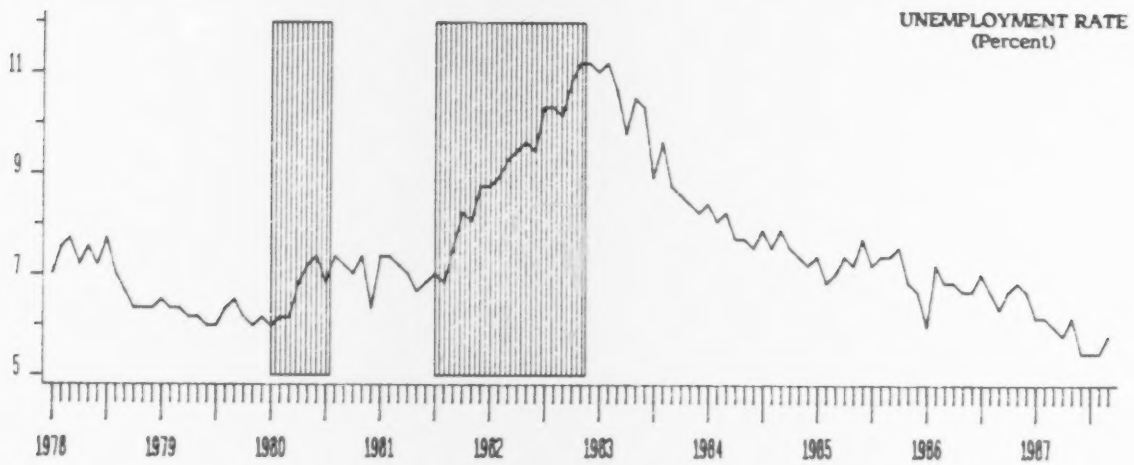


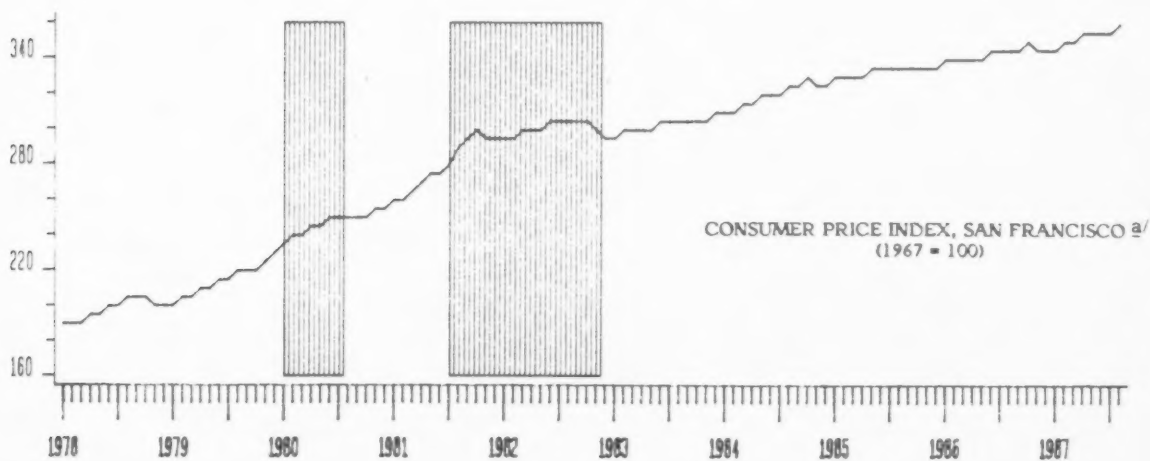
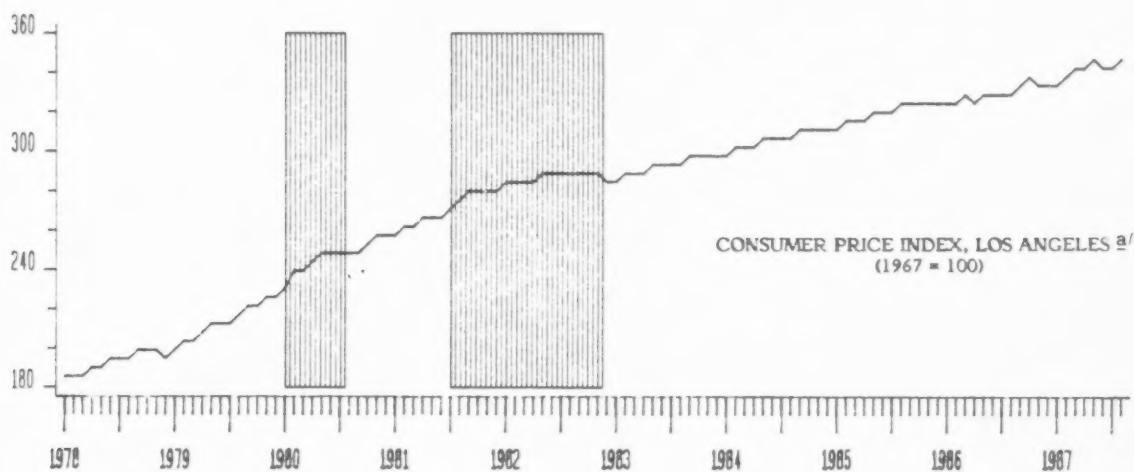
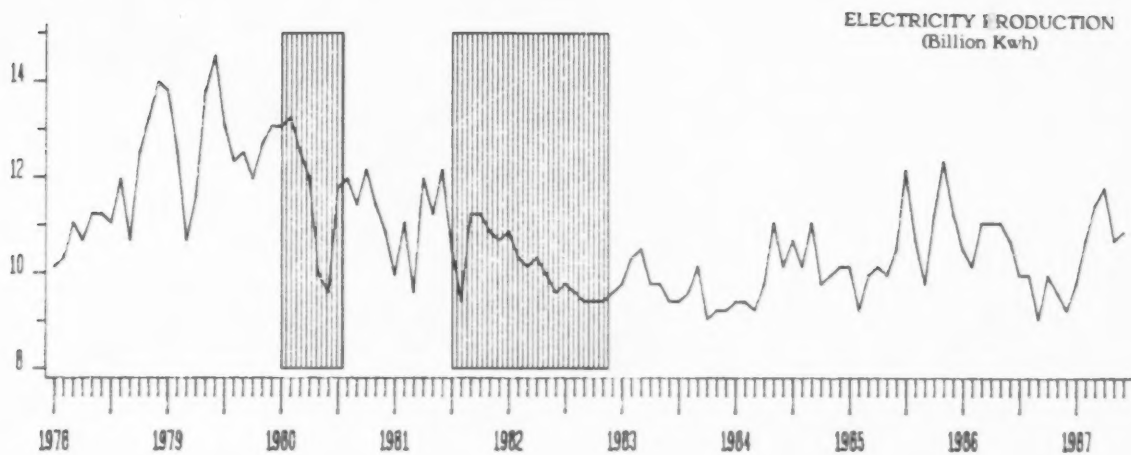
PERSONAL INCOME
(Billion \$, Seasonally Adjusted)



INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED
(Thousands, Seasonally Adjusted)







CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

<u>1980</u>		<u>1980--Continued</u>	
February 25	Prime rate raised to 16-1/2 percent.	April 28	FHA mortgages reduced to 13 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.		Prime rate reduced to 18-1/2 percent.
		May 5	Prime rate reduced to 18 percent.
February 29	Prime rate raised to 16-3/4 percent.	May 7	Prime rate reduced to 17 percent.
March 4	Prime rate raised to 17-1/4 percent.	May 8	Discount rate surcharge reimposed.
March 7	Prime rate raised to 17-3/4 percent.	May 12	Prime rate reduced to 16-1/2 percent.
March 13	Prime rate raised to 18-1/4 percent.	May 19	Prime rate reduced to 16 percent.
March 14	Announcement of tighter fiscal policies.	May 28	Discount rate lowered to 12 percent. Some conventional mortgage rates fell to 12 percent.
March 17	Three percent discount rate surcharge imposed.		
March 18	Prime rate raised to 19 percent.	June 25	Carpenters strike in Northern California ended.
April 2	Prime rate raised to 20 percent.	July 3	ICC begins trucking industry deregulation.
April 3	FHA mortgages raised to 14 percent.	July 21- October 23	Motion picture and television industry strike.
April 20	Prime rate reduced to 19-1/2 percent.		

CHRONOLOGY--Continued

1980--Continued

July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.
July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California mortgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.

1980--Continued

November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.
December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from \$3.10 to \$3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
January 20	Ronald Reagan inaugurated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.

CHRONOLOGY--Continued

1981--Continued

February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26-June 8	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.

1981--Continued

June 5	Dollar reaches highest level in international trading since December 1971.
July 8	Prime rate raised to 20-1/2 percent.
August 3 Jan. 17, 1986	Professional Air Traffic Controller's Organization strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October	Introduction of All Savers Certificates to stimulate savings.
October 6	Prime rate lowered to 19 percent. Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at \$34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.

CHRONOLOGY--Continued

1981--Continued

November 2 Fed discount rate cut from 14 percent to 13 percent.
Prime rate lowered to 17-1/2 percent.

November 10 Prime rate lowered to 17 percent.

November 13 Prime rate lowered to 16-1/2 percent.
FHA mortgage rate lowered to 15-1/2 percent.

November 16 Prime rate lowered to 16 percent.

November 17 Fed eliminates 2 percent surcharge. Discount rate unaffected.

December 1 Prime rate lowered to 15-1/2 percent.

December 4 Fed discount rate lowered from 13 percent to 12 percent.

December 12 Martial law imposed in Poland.

1982

January 22 Federal funds rate raised to 13-1/2 percent.

January 25 FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.

January 27 Federal funds rate raised to 13-3/4 percent.

1982--Continued

February 2 Prime rate raised to 16-1/2 percent by Citibank and Crocker.

February 18 Prime rate increased to 17 percent.

February 24 Prime rate cut back to 16-1/2 percent.

March 1 Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.

March 8 Prime rate lowered to 16 percent.

March 16 Prime rate back up to 16-1/2 percent.

April 1 OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at \$34/barrels.

April 5 Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.

April 12 General Motor and United Auto Workers labor agreement approved.

April 26 The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.

May 7 U.S. unemployment rate reaches 9.4 percent for a post-WW II record.

CHRONOLOGY--Continued

1982--Continued

May 13 Braniff Air Lines ceases operation.

June 25 Secretary of State Alexander Haig resigns.

June 28 U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.

July 20 Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.

July 27 Prime rate lowered to 15-1/2 percent.

August 2 Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.

August 9 Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.

August 16 Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.

August 18 Dow Jones Industrial Average rose 38.81 points--an all-time record.

August 19 The stock market trading soared to a record 132,690,000 shares.

August 27 Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.

1982--Continued

November 23 Prime rate lowered from 12 percent to 11-1/2 percent.

December 13 Discount rate cut to 8-1/2 percent.

December 14 Introduction of money market deposit accounts by banks and S&Ls.

1983

January 5 Super NOW accounts introduced.

January 11 Prime rate lowered to 11 percent.

January 31 Independent truckers strike begins.

February 10 Independent truckers strike end.

February 15 Toyota/GM agreement to build a small car in late 1984.

February 25 Prime rate lowered to 10-1/2 percent.

March 14 OPEC sets \$29 per barrel benchmark price and production quota of 17.5 million barrels.

May 2 A 6.5 magnitude earthquake strikes the town of Coalinga.

An earthquake measuring 6.5 on the Richter scale strikes Coalinga, California.

June 8 The maximum rate on government-backed mortgages was raised from 11-1/2 percent to 12 percent.

June 18 Paul Volcker reappointed as Federal Reserve Board Chairman.

CHRONOLOGY--Continued

1983--Continued

June 24 The Federal Budget deficit totalled a record \$29.29 billion in May.

July 7 The maximum rate on government-backed mortgages was raised from 12 percent to 12-1/2 percent.

July 13 Chrysler Corporation announced it will repay the remaining \$800 million in federally guaranteed loans by September, seven years before they are due.

July 25 The Washington Public Power Supply System defaulted on \$2.25 billion in bonds, creating the largest municipal default in U.S. history.

August 1 California's \$1.2 billion offering of revenue-anticipation notes, the State's largest note issue, drew strong investor interest. Notes totalling \$700 million, maturing next April and June, were oversubscribed.

August 2 The maximum rate on government backed mortgages rose from 12-1/2 percent to 13-1/2 percent.

August 7-
August 28 The Communications Workers of America and two other unions strike AT&T.

August 8 Prime rate raised from 10-1/2 percent to 11 percent by most major banks.

1983--Continued

August 23 The maximum rate on government backed mortgages fell from 13-1/2 percent to 13 percent.

September 1 Soviet Union shoots down Korean Airlines Flight 007, New York to Seoul, near the Soviet Island of Salhalin, just north of Japan.

November 1 Maximum rate on VA & FHA mortgages lowered from 13 percent to 12.5 percent.

November 3-
December 21 Strike against Greyhound Lines Inc.

December 1 FHA mortgage interest rates begin to float. VA rates are still pegged.

1984

January 3 Breakup of AT&T becomes effective.

February 2 Contemporaneous reserve accounting is required by Fed for all but the very small deposit-taking institutions.

March 19 Prime rate raised from 11 percent to 11-1/2 percent.

March 20 Maximum rate on VA loans raised from 12-1/2 to 13 percent.

April 4 Prime rate raised from 11-1/2 percent to 12 percent.

April 9 Discount rate raised from 8-1/2 percent to 9 percent; the first change in 3 years.

May 5 Prime rate raised from 12 percent to 12-1/2 percent.

CHRONOLOGY--Continued

1984--Continued

June 26 Prime rate raised from 12-1/2 percent to 13 percent.

September 3 - Hotel and restaurant strike - San Francisco.
December 7

September 15 - UAW-General Motors strike.
October 14

September 28 Prime rate reduced from 13 percent to 12-3/4 percent.

October 16 Prime rate reduced from 12-3/4 percent to 12-1/2 percent.

October 28 Prime rate reduced from 12-1/2 percent to 12 percent.

November 7 Prime rate reduced from 12 percent to 11-3/4 percent.

November 21 Discount rate reduced from 9 percent to 8-1/2 percent.

November 28 Prime rate reduced from 11-3/4 percent to 11-1/4 percent.

December 17 Prime rate reduced from 11-1/4 percent to 10-3/4 percent.

December 24 Discount rate reduced from 8-1/2 percent to 8 percent.

1985

January 1 Federal price controls removed from approximately half of the natural gas produced in the United States.

1985 Continued

January 15 Prime rate reduced from 10-3/4 percent to 10-1/2 percent.

March 9 Home State Savings Bank Cincinnati, Ohio closed.

March 15 Seventy Ohio thrift institutions closed to prevent run on deposits.

March 25 Maximum rate on VA loans raised from 12-1/2 percent to 13 percent.

May 2 Auto manufacturer's initiate low interest loan programs.

May 17- June 14 United Airlines--Air Pilots Association strike.

May 17 Prime rate reduced from 10-1/2 percent to 10 percent.

May 20 Dow Jones Industrials close above 1,300 for the first time.

May 29 Presidents' tax reform plan unveiled.

June 18 Prime rate reduced to 9 1/2 percent from 10 1/2 percent.

July 16 Conventional mortgage rates fell to 12.03 percent average--the lowest since October 1979.

July 22- October 16 8,200 steelworkers on strike at Wheeling Pittsburgh--the industry's first major walkout in 26 years.

August 15 GM announces 7.7 percent financing rate program to run through October 2nd.

CHRONOLOGY--Continued

1985--Continued

August 20 Ford and Chrysler announce incentive plans including low interest loans and rebates on 1985 autos.

September 4 The Farm Credit System seeks a Federal bailout of its \$74 billion loan portfolio.

September 15 A State Department of Housing and Community Development regulation requiring equal access on accessible levels of apartment houses with five or more units, for handicapped persons, went into effect.

September 16 Saudi Arabia announces plans to boost oil production and cut prices.

September 22 G-5 agreement to push the dollar lower.

November 7 Dow Jones Industrials close above 1400 for the first time.

December 10 World oil prices fall by more than a dollar after OPEC decides to abandon price supports.

December 12 President Reagan signs the budget deficit bill into law, raising the debt ceiling to \$2 trillion and setting deficit targets for each year through 1991.

December 23 President Reagan signs the farm subsidy bill into law, creating a 5-year plan to bail out the Farm Credit System.

1986

January 1 Ceiling on Super NOW accounts was removed.

January 17 United Steel workers leaders agreed to allow rank-and-file members to vote on labor contracts for the first time in the union's history.

January 28 Space shuttle Challenger explosion destroys the spacecraft. Seven crew members died.

February 26 Corazon Aquino takes over Phillipines as the new president.

March 3 Dow Jones Industrials close above 1700 for the first time.

March 4 Yields on 10-year Treasury Notes fall below 8 percent for the first time in eight years.

Oil prices fall to \$12 per barrel.

March 7 The discount rate reduced from 7-1/2 percent to 7 percent, following similar cuts by Germany & Japan.

March 21 Dow Jones Industrials close above 1800 for the first time.

Conservative Chirac appointed as Prime Minister of France.

March 25 U.S. warplanes attacked two Libyan ships and a shoreline missile site after Libyan missiles were fired at U.S. planes in the Gulf of Sidra.

April 1 Interest ceilings on passbook saving accounts ended.

CHRONOLOGY--Continued

<u>1986--Continued</u>		<u>1986--Continued</u>	
April 1	Oil prices fall to under \$11 per barrel.	July 10	The Fed lowered the discount rate from 6-1/2% to 6%.
April 14	U.S. air strike against Libya.	August 1	United steelworkers strike for the first time since 1959. 44,000 workers were involved.
April 21	U.S. Dollar reaches a post-WWII low against the Yen at 168.60. Discount rate cut from 7 percent to 6-1/2 percent.	August 20	The discount rate was reduced from 6 percent to 5-1/2 percent.
April 23	Paul Volcker warns of public and private debt buildup as a threat to the economy.	August 27	The prime rate was cut to 7-1/2 percent from 8 percent.
April 25	Soviet nuclear plant at Chernobyl destroyed by fire.	August 28	General Motors Corp. introduces a new incentive program to lure consumers by an unprecedented auto loan rate of 2.9 percent.
May 12	U.S. dollar falls to 159.95 Yen.	September 4	Stock market prices soared as the Dow Jones Industrial average jumped 38.38 points to a closing record of 1919.17.
May 22	U.S. proposes 35 percent tariff on Canadian cedar shakes and shingles for roofing, leading to a trade dispute between the U.S. and Canada.	September 5	California bank and corporation tax law was amended to provide for a "Waters-Edge" election. This is an alternate treatment of taxable income.
June 1- June 26	CWA strike at AT&T.	September 11	The Dow Jones Industrial average plummeted a record 86.61 points, or 4.61 percent to 1792.89.
July 7	The U.S. Supreme Court ruled that the Gramm-Rudman-Hollings mechanism for across the-board, automatic spending cuts was unconstitutional.	October 22	President Reagan signs the tax reform bill into law, the first full scale remodification since 1954.
July 7	The Dow Jones Industrial average was down a record 61.87 points.	October 27- December 13	Union employees from Kaiser Foundation Hospital, Kaiser Permanente Medical Group, Inc. & Kaiser Foundation Health Plan strike

CHRONOLOGY--Continued

1986--Continued

November 1 The savings bond rate dropped from 7-1/2 percent to 6 percent, affecting new issues only.

1987

January 1 California Legislature approved a measure, effective Jan. 1, 1987, giving school districts the local option to access \$1.50 per square foot on new residential construction and \$.25 per square foot on new nonresidential construction.

Fannie Mae raises mortgage ceiling to \$153,100 from \$133,250.

OPEC's 7 percent production cut went into effect. U.S. oil prices hit \$18 per barrel.

January 8 The Dow Jones Industrial average topped the 2000 mark.

January 19 The Dow Jones Industrial average topped the 2100 mark.

The California Trade Office opened in Tokyo.

The dollar fell to a record low against the yen--150.49 yen to the dollar.

January 22 The Dow Jones Industrial average posted a record 51.60 percent gain to a new high of 2145.67.

1987--Continued

February 5 Brazil suspends interest payments on commercial debt.

The Dow Jones Industrial average topped the 2200 mark.

March 5 Ecuador is rocked by severe earthquake.

March 16 Fannie Mae announces it will not enter home equity loan market.

March 20 The Dow Jones Industrial average topped the 2300 mark.

March 24 U.S. dollar falls to post WW II low--148.5 yen to the dollar.

April 1 The prime rate increased from 7-1/2 to 7-3/4 percent.

April 6 The Dow Jones Industrial average topped the 2400 mark.

April 13 The California Trade Office opened in London.

May 1 The prime rate was increased from 7-3/4 percent to 8 percent.

May 5 Immigration amnesty program in effect.

May 7 The Farm Credit System formally asked Congress for a \$6 billion loan from the Treasury.

May 15 The prime rate was increased to 8-1/4 percent from 8 percent.

May 17 The U.S.S. Stark was struck by an air-launched Iraqi missile in the Persian Gulf.

CHRONOLOGY--Continued

1987 (Continued)

June 1	Penalties in place for employers of illegal aliens.
July 17	Dow Jones Industrials close over 2,500 for the first time.
July 22	Kuwaiti tankers placed under U.S. flag for transit through Persian Gulf.
August 10	Dow Jones index closes over 2,600 for 1st time.
August 11	Alan Greenspan sworn in as Chairman of the Federal Reserve Board.
August 17	Dow Jones index closes over 2,700 for 1st time.
September 4	Discount rate raised from 5-1/2 percent to 6 percent. Prime rate raised from 8-1/4 percent to 8-3/4 percent.
October 1	Severe earthquake hits Southern California. Epicenter near Whittier.
October 7	Prime rate raised from 8-3/4 percent to 9.25 percent.

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854-1982

<u>Initial Trough</u>		<u>Peak</u>		<u>Terminal Trough</u>		<u>Expansion (months)</u>	<u>Contraction (months)</u>	<u>Total (months)</u>
Dec.	1854	June	1857	Dec.	1858	30	18	48
Dec.	1858	Oct.	1860	June	1861	22	8	30
June	1861	April	1865	Dec.	1867	46	32	78
Dec.	1867	June	1869	Dec.	1870	18	18	36
Dec.	1870	Oct.	1873	March	1879	34	65	99
March	1879	March	1882	May	1885	36	38	74
May	1885	March	1887	April	1888	22	13	35
April	1888	July	1890	May	1891	27	10	37
May	1891	Jan.	1893	June	1894	20	17	37
June	1894	Dec.	1895	June	1897	18	18	36
June	1897	June	1899	Dec.	1900	24	18	42
Dec.	1900	Sept.	1902	Aug.	1904	21	23	44
Aug.	1904	May	1907	June	1908	33	13	46
June	1908	Jan.	1910	Jan.	1912	19	24	43
Jan.	1912	Jan.	1913	Dec.	1914	12	23	35
Dec	1914	Aug.	1918	March	1919	44	7	51
March	1919	Jan.	1920	July	1921	10	18	28
July	1921	May	1923	July	1924	22	14	36
July	1924	Oct.	1926	Nov.	1927	27	13	40
Nov.	1927	Aug.	1929	March	1933	21	43	64
March	1933	May	1937	June	1938	50	13	63
June	1938	Feb.	1945	Oct.	1945	80	8	88
Oct.	1945	Nov.	1948	Oct.	1949	37	11	48
Oct.	1949	July	1953	May	1954	45	10	55
May	1954	Aug.	1957	April	1958	39	8	47
April	1958	April	1960	Feb.	1961	24	10	34
Feb.	1961	Dec.	1969	Nov.	1970	106	11	117
Nov.	1970	Nov.	1973	March	1975	36	16	52
March	1975	Jan.	1980	July	1980	58	6	64
July	1980	July	1981	Nov.	1982	12	16	28

SOURCES OF STATISTICAL SERIES

Employment Development Department
Employment Data and Research

Civilian Employment
Unemployment
Unemployment rate
Nonagricultural employment
Manufacturing employment
Hours and earnings
Nonagricultural placements
Initial claims for unemployment
insurance
Insured unemployment
Index for production worker hours

Department of Industrial Relations
Division of Labor Statistics
and Research

California consumer price index

Department of Finance

Personal income
Wages and salaries
Index of leading indicators

Department of Motor Vehicles

New auto registrations

State Board of Equalization

Taxable sales

Security Pacific National Bank

Housing units authorized
Valuation of nonresidential
construction

U.S. Department of Commerce

Retail sales

U.S. Bureau of Labor Statistics

Consumer price indices

U.S. Department of Defense

Prime defense contracts

U.S. Department of Energy

Electricity production

California Redwood Association

Lumber production

Conservation Committee of California
Oil Producers

Petroleum production

American Iron and Steel Institute

Steel production

U.S. Bureau of Mines

Cement production

California Secretary of State

New business incorporations

Federal Reserve Bank of
San Francisco

Demand deposits
Commercial and industrial loans

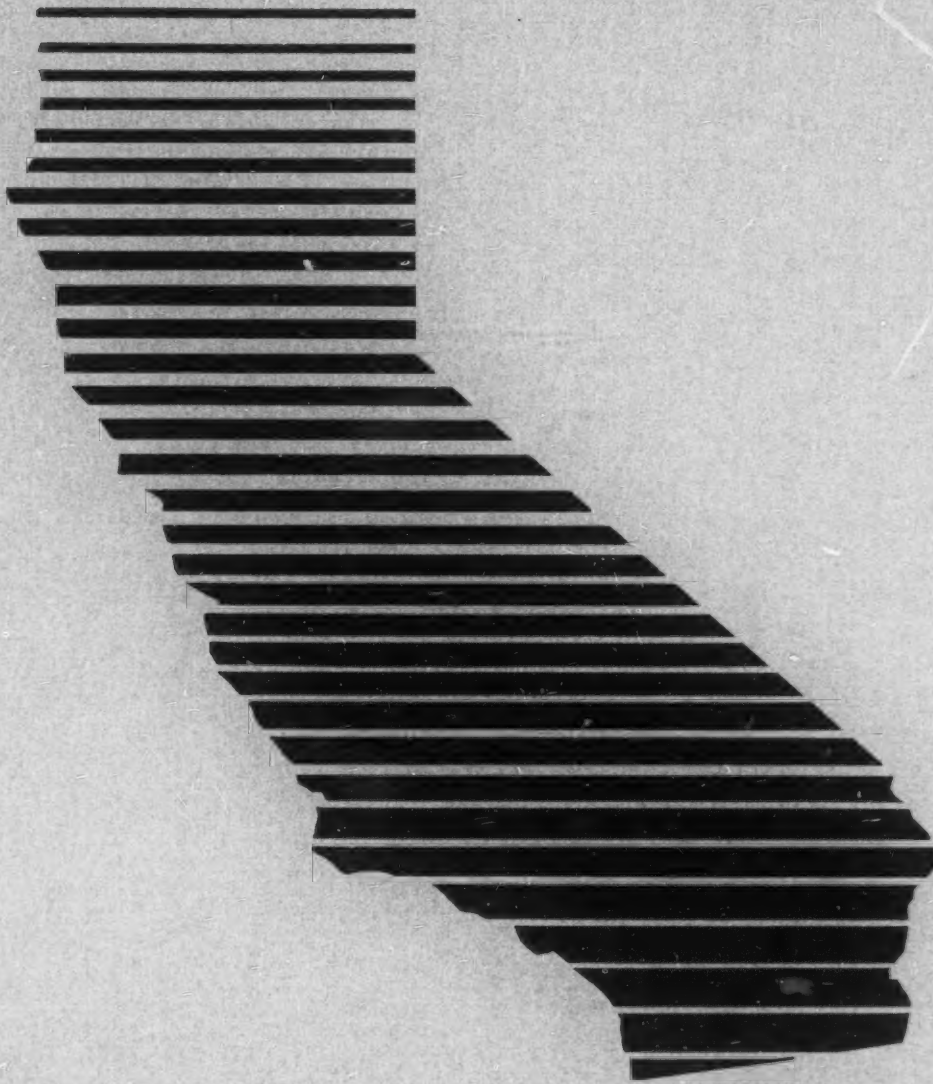
Coldwell Banker

Vacancy Rates

12/30/87 50840-1 A

CALIFORNIA ECONOMIC INDICATORS

November 1987



DEPARTMENT OF FINANCE

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